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15 June 1958

The EIC Subcommittee on Petroleum

Annual Report

Fiscal Year 1957-58

A. Activities of the Subcommittee During Fiscal Year 1957-58

1. Review of the Intelligence Product

The Subcommittee considers the intelligence product to be consistent with the missions and responsibilities of member agencies.

2. Research and Collection Deficiencies

a. The priority deficiencies of research which have been identified by the PSC are included in EIC-S-1/4, Progress Report, 1 June 1957, attached hereto. The Subcommittee recognized the need for periodic revisions of the list of priority deficiencies of research and the programming of research to meet the priority deficiencies.

b. The EIC Subcommittee on Chemicals has turned over to the jurisdiction of the Petroleum Subcommittee the subject of helium. The Subcommittee discussed this subject, and requested the CIA representative to prepare a report summarizing all available information regarding the availability of helium in the USSR. This report has been completed and will be available for distribution very shortly.

3. Review of Substantive Papers

The Subcommittee reviewed formally in Subcommittee meetings preliminary drafts of the following papers which, when completed, will be of common interest to all members:

<u>Title</u>	<u>Agency</u>
A Study of the Natural Gas Resources and the Natural Gas Industry and Its Vulnerabilities in the USSR as of June 1957	Army, 488th SIRA, Reserve Unit
Regional Civil Consumption of Petroleum Products in the USSR	CIA

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4. Review of Proposals for External Research

The Subcommittee reviewed an outline for a proposed external research project on "Establishing Economic Criteria for Adoption of Nuclear Power Plants." The EIC Subcommittee on Electric Power and Solid Fuels has been assigned primary responsibility for review of the project. The Petroleum Subcommittee has been requested to provide support in the field of petroleum.

5. Maintenance of Agreed Basic Statistics

The Subcommittee has developed agreed basic statistics covering the major elements of the petroleum economy of each country of the Sino-Soviet Bloc for 1957. The Subcommittee plans to continue the annual updating of these statistics and is working toward an agreed supply-demand balance. The Agreed Basic Statistics, 1957, are attached hereto.

6. Projects Undertaken at the Request of the EIC or Proposed to the EIC

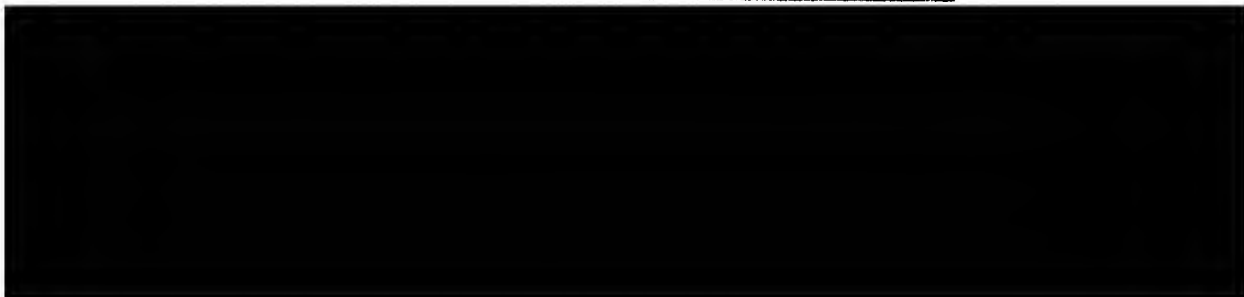
a. The Subcommittee project, Military Consumption of Petroleum Products, Sino-Soviet Bloc, 1956-57, approved by the EIC in the last fiscal year, was completed on 1 March 1958.

b. At the request of the EIC, the Subcommittee prepared on very short notice a contribution to NIE 30-2-57, Near East Developments Affecting United States Interests, in the form of an Appendix concerning "Trends in Middle East Oil."

7. Intelligence Research Techniques

The Subcommittee has nothing to report.

8. Special Coordination Functions of the Subcommittee



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9. Evaluation of the Role of the Subcommittee

The Subcommittee continues to function actively in its role of reviewing, coordinating, and furthering economic intelligence research in the field of petroleum. It also provides a valuable medium for the exchange of ideas and information of mutual interest.

B. Future Program of the Subcommittee.

The Subcommittee plans to continue a program of bi-monthly meetings, reviews of substantive papers, development of agreed basic statistics, reporting of research and collection deficiencies and special projects in accordance with the General Concept and Functions of EIC Subcommittees.